

MCLEAN ELECTRIC COOPERATIVE, INC.

June 26, 2014

The June meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Cooperative's Headquarters in Garrison, North Dakota, on the 26th day of June, 2014. The meeting was called to order by President Alvin Myers at 8:30 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Ernest Grueneich
Alvin Myers
Troy Presser
Orvin Ravnaas
Rod Stockdill

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Presser and seconded by Ravnaas to approve the Consent Agenda which consisted of the minutes of the May 22, 2014, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Carl B. Carlson, Gary Weydahl, Leonard Nelson, and Walter Fischer were presented for capital credit retirement. A motion was made by Ravnaas and seconded by Stockdill, to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Luke Steen. Items discussed and actions taken during the Business Department report were as follows:
 - a. Provided the financial report for the cooperative which included the May, 2014, KWH usage and revenue, a review of the May, 2014, Form 7, Financial Ratios analysis, and the budget to actual reports.
 - b. Provided an installment loans update.
 - c. General Manager/CEO Retirement Plan options regarding the 2013 coverage testing failure were presented to the Board during the May, 2013, Board Meeting. The Board determined to leave the plan for 2013 as is and an explanation of the coverage test failure would be offered to the IRS if

questions arose. The motion carried.

- d. Reported that the 2013 Form 990 and 990T for the Cooperative have been completed and are available for review.
2. Member Services - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
 - a) Provided AMR and LCR Installation update.
 - b) This is Darrin's last meeting at McLean Electric, as he accepted a Co-Manager's position at Northern Plains/Dakota Valley Electric Cooperatives which will begin in August, 2014. Darrin was congratulated for receiving the Co-Manager's position and was thanked for his service to McLean Electric.
 3. Operations Department - Keith Thelan. Items discussed and actions taken during the operations department report were as follows:
 - a) Provided a June workload and workplan update.
 - b) The Board acknowledged the minutes of the May 24, 2014, Safety Committee meeting and the June 3, 2014, AT&S Safety Meeting.
 4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Provided an update on the REDL&G update.
 - b) Reported that the office construction is complete.
 - c) Discussed Central Power Electric Cooperative outages.
 - d) Provided an update of regarding the hire of a summer worker.
 - e) Reported that the Cooperative hired Kelly Schmaltz as the locator/warehouseman for the Cooperative.
 - f) Region VI Delegate appointment. Stockdill was appointed delegate with Manager Dahl as the alternate.
 - g) Provided a Basin Electric report.

- h) RESCo Annual Meeting delegate appointment. Presser was appointed delegate with Stockdill as an alternate.
- i) Discussed the 2014 Annual Meeting.
- j) Discussed the Cooperative's Build 96 Investment. A motion was made by Presser and seconded by Ravnaas to offer the Cooperative's 20 share to Ervin Flath for \$250.00 per share. The motion carried.
- k) Presented a resolution of authorization application for a rural electric development loan involved with the Coal Creek Drying & Storage. A motion was made by Stockdill and seconded by Grueneich to approve the resolution. The motion carried.
- l) Presented a resolution from Co-Bank to update the new directors and officers following the 2014 Annual Meeting. A motion was made by Presser and seconded by Ravnaas to approve the resolution. The motion carried.

Reports on meetings attended:

- 1. Central Power - Presser
- 2. Statewide REPAC Committee - Presser

Other Business:

- 1. The Board discussed the employee use of company vehicles.
- 2. Held a discussion regarding the use of exit interviews.
- 3. Appointed Ravnaas as the alternate Statewide director to finish the current term that was held by Agnes Jennings.
- 4. Discussed the use of prepaid metering by the Cooperative's patrons.

Upcoming Meetings:

- 1. The next regular Board Meeting is scheduled for Friday, July 25, 2014, at 8:30 o'clock a.m.

There being no further business, upon a motion made and carried, the meeting was adjourned.

Secretary